

22. Are there ample and cheap restaurants nearby?

There are over 2000 restaurants within 10 miles, 100 within 1.5 miles.
(source: www.citysearch.com)

23. Is there ample and cheap transportation available?

There is a MARTA (Metro Atlanta Rail Transit Authority) Bus which runs in front of the building between Dunwoody MARTA Rail Station and Lindbergh MARTA Rail Station.

24. Find out if there will be any problem with other tenants close by because of staff and public coming into the building at all times of the day and evening?

There will not be problems with this as the building is located on one of the busiest streets in the city. Immediately surrounding the building are apartment and condominium homes which have traffic throughout the day and night, or daytime businesses which close in the evening.

25. Attach a copy of a map of the local area with location of premises clearly marked. Also attach a copy of a map of the entire city with location of premises clearly marked and where it is in relation to the current building. This should be a clean professional map.

(Attachment D)

EXISTING OCCUPANCY AND TENANTS

26. Can the org occupy the building immediately? If not, then how long till the org can occupy it. I.e. is the owner using the property and how long would it take him vacate out of the premises?

THE BUILDING IS VACANT AND CAN BE OCCUPIED IMMEDIATELY.

27. How many of what kind of persons are in the proposed premises?

NONE

28. Are any parts of the property are leased out. If so,

a) What are the existing terms of the leases?

CINGULAR WIRELESS LEASES A CLOSET IN THE
BASEMENT WHICH CONTAINS RELAY EQUIPMENT.

b) Can the tenants vacate immediately and if not how long will it take to get
the vacated out of the building?

THERE IS ABOUT ONE YEAR LEFT ON THE EXISTING LEASE.

29. Are there any facilities on the property that we would be depriving the natives of
should we purchase the building? Are these facilities available elsewhere in the
community? Are there any facilities in the buildings or on the grounds currently used
by the community?

THERE ARE NO COMMUNITY FACILITIES ON THE GROUNDS.

ZONING AND LEGAL USE OF PROPERTY
(Do this in coordination with the DSA in the org)

30. Is the building located in a historic district or is it a landmark building? Are there any
restrictions for this building due to the location or building? If so, what are they?

THE BUILDING IS NOT LOCATED IN A HISTORIC DISTRICT NOR IS IT A
LANDMARK BUILDING.

31. Are there any legal restrictions that would limit the Church's operation in the property?

NO

a) What is the property zoned for?

OFFICE & INDUSTRIAL, WITH RESTRICTIONS INDICATING OFFICE USE ONLY.

b) Is our use clearly allowed per the zoning regulations? Obtain written confirmation that the zoning for our use is allows.

Although Church use is typically permitted in Office & Industrial, I discovered that this building has restrictions to allow only office use. This would require a variance in order to have a Church. The handling would be to have the seller get the rezoning done before purchase of the building was finalized.

c) If the property is under any non-conforming use of variance, attach copies of the Planning Commission or zoning board Minutes or other official letter approving the variance.

N/A

32. Existing permits: List any Certificate of Occupancy or other permits/ licenses now held by the premises. Be sure to include data on the number of people that can legally be on each floor at any given time.

THE FORMER OWNER DID NOT HAVE A CERTIFICATE OF OCCUPANCY. IT IS LIKELY ONE EXISTED, BUT THE BUIDLING WAS OBTAINED IN FORECLOSURE AND THAT DATA WAS NOT AVAILABLE. IT IS UNKNOWN IF THE NEW OWNER HAS OBTAINED ONE IN THE LAST MONTHS.

33. What licenses or permits would have to be obtained for our use? (Include Certificate of Occupancy and any permits for renos, etc.)

There are no unusual licenses or permits which would be needed. There is likely a CO, though as stated in 32 above we do not have it. There will be permits needed for certain renovations (i.e. electrical, plumbing, etc. for Purif or other areas.)

34. Obtain written city confirmation that the building's location is not subject to enforced development.

According to the real estate broker, the only way that enforced development could occur is due to eminent domain. The zoning will not be "up-zoned" or re-zoned for something we may not use.

COST AND MARKET

35. What is the asking price for the property?

AS THE PROPERTY IS NOT NOW FOR SALE AND THE SELLER WOULD ENTERTAIN AN OFFER, OUR BROKER SUGGESTED OFFERING 5.5 MILLION. IT SOLD FOR ROUGHLY OVER 5 MILLION

36. Gather information on comparisons of similar properties in the area that have sold with when they sold, for how much, how many square feet and what was the general shape of the building.

Mt. Vernon Commons – 2390 Mt. Vernon Road
Williamsburg-style building, 44,582 rentable. Sold for \$4,060,000 (\$91.07 psf) in October 2003. Comparable, although less prestigious, far inferior location.

500 Sugar Mill Road – Building A & B

2-story concrete block buildings, 48,772 rentable. Sold for \$4,600,000 (\$94.32 psf) in October 2002. Approximately 3-5 miles from subject. Investment property w/ good parking, but almost no street visibility and little prominence.

859 Mt. Vernon Hwy, NE

4-story, 50,400 sf, Class A Building. Sold for \$10,006,300 (\$198.54 psf) in June 2003. Single credit tenant with long-term lease, sold to investor

37. Give a through of description of the currently real estate market for the city. I.e. is the market rapidly increasing and it is a "sellers market" or is the market declining thus make it a "buyers market".

The current Atlanta real estate market is continuing to struggle out of the real estate recession that began in 2001. Vacancy and rental rates have stabilized and are, in fact, on a slowly improving trend. Class A office properties are an extremely hot commodity after a relative lull in trading velocity. Cap rates for high quality, well-located and tenanted properties have pushed into the low 7's (or better in some cases). Generally it is a seller's market. The value of this asset would be significantly higher with a long-term tenant than in its current state.

38. What is the financial status of the owner and is he in urgent need to offload this property or not?

THE PROPERTY IS OWNED BY HAMMOND PROPERTY INVESTORS AND NO D

ATA IS KNOWN ON THEIR FINANCIAL STATUS. ADDITIONALLY, THEY JUST RECENTLY ACQUIRED THE PROPERTY AND IT IS NOT BELIEVED THAT THEY NEED TO OFFLOAD IT URGENTLY. IT HAS BEEN EMPTY FOR 2 YEARS.

39. Is there any knowledge on what the seller might reduce his/her purchase price down to? If so, give full data.

THERE IS NO DATA ON WHETHER THE SELLER MIGHT REDUCE HIS PRICE; HOWEVER, WE WILL USE PR TECH TO ALLY HIM APPROPRIATELY AND NEGOTIATE FOR SOMETHING LOWER.

40. What is the estimated final purchase price (if known) once negotiated down?

N/A

41. What are the terms of the purchase?

N/A

42. Give an estimated cost breakdown for the other costs associated with the purchase of the building?

- a. Cost to do various inspections (environmental hazards on site, plumbing, electrical, mechanical, roof, seismic, hurricane, etc.).

ENVIRONMENTAL REPORT (PHASE I) – IF NOT DONE RECENTLY BY SELLER - \$1200 - \$2500

- b. Down payment and closing costs.

DEED TAX & TRANSFER TAX – USUALLY SELLER RESPONSIBILITY
TITLE INSURANCE IS GENERALLY \$2.25 PER 1000 OF
CONSIDERATION (SALE PRICE)
RECORDING FEES ARE \$10 FOR THE FIRST PAGE AND \$2 FOR
EACH SUBSEQUENT PAGE

- c. Utilities deposits (if any).

NOT SURE (PARTIALLY DEPENDENT ON PREVIOUS BILLING HISTORY)

- d. Lawyer's fees.

SHOULD BE UNDER \$10,000 FOR BASIC NEGOTIATION OF PURCHASE & SALE AGREEMENT AND CLOSING.

- e. Realtor commissions (if it does not get deducted out of the purchase price from the seller).

TO BE DEDUCTED OUT OF THE PURCHASE PRICE.

- f. Insurance:

CURRENT BUDGET IS \$1700 PER YEAR. THIS SEEMS LOW AS THE RULE OF THUMB IS \$.15 PER FOOT

- 43.** What are the yearly real estate taxes? Are there any other local taxes applicable? Include a write-up from the DSA on the Church's Tax Exempt status or lack of it.

2003 PROPERTY TAX WAS \$32,500. UNSURE IF OTHER LOCAL TAXES. WRITE UP REGARDING TAX EXEMPT STATUS IN GEORGIA ATTACHED. (Attachment E)

- 44.** What are the operating costs of the proposed premises?

The building is currently vacant, but the 2004 Operating Costs are estimated at \$3.50 per sf for the building. This includes needed maintenance, utilities, taxes, insurance, lawn care and elevators.

45. If the org is fundraising to purchase this building include information on how much has been raised thus far, how much is set aside for the purchase and what actions have been done on fundraising to date.

BUILDING FUNRAISING HAS RECENTLY BEGUN WITH THE OT COMMITTEE ASSIGNING A FUNDRAISING TEAM. THIS TEAM HAS ASSEMBLED A PLAN AND NAMEOUT OF WHO TO CONTACT IN ORDER TO RAISE FUNDS IN FULL. THE TEAM HAS JUST GOTTEN ITS FEET WET AND RAISED \$5500 IN THE LAST FEW DAYS. PRIOR TO THIS RECENT MONEY COLLECTED, THE OTC AND ORG RAISED SOME FUNDS WHICH WENT TO THE PURCHASE OF THE BOOKSTORE ENLIGHTENMENT SYSTEM (WHICH WILL BE TAKEN TO THE NEW BUILDING). THE OT COMMITTEE CHAIRMAN IS JUST BACK FROM MAIDEN VOYAGE AND IS MAKING THE OT COMMITTEE ACHIEVE TARGET ATTAINMENT ON THIS PROJECT. PREVIOUSLY, IN EARLIER YEARS, THE ORG HELD SUCCESSFUL FUNDRAISERS AND RAISED MONEY FOR AN ORG BUILDING PURCHASE. (SEE ATTACHMENT L)

46. Include a plan on how the funds will be raised to purchase the proposed building.

A Fundraising I/C was recently posted on the OTC Org Board. He put together a team of fundraisers and briefed them on the target. They immediately put together a rough plan of how to raise the funds needed. They are investigating all avenues in order to raise the funds, including donations from local Scientologists, donations from local philanthropists, donations from business owners, fundraising events, etc. There will be PR activities and mailings to the general public to keep the flows coming in large or small. Simultaneously, fundraisers and the I/C will do a name out of prospects who can donate larger amounts. Then, we will use that person to help close the subsequent prospects, and so on. Similar to other orgs, we will have a "Fundraising Central" in the org and keep track of the amounts raised each day and week so that we are operating off of statistics and conditions. We will push, debug, drive, name it,

want it, get it until the amount is raised.

PHOTOS AND PLANS

47. Submit photos of the exteriors of the building, grounds and surrounding area showing the normal body traffic going past the premises. These photos should show the exterior of the building in relation to other buildings in the area as well as the general area in the city to show that this is the correct place for a Church of Scientology organization. Use HCO PL VIEWPOINT realizing that most people reviewing these have not been to this area or know what it looks like.

ATTACHED. (Attachment F)

48. Submit photos of the interior of the building showing all spaces. Number each space on the as-built and draw arrows on the space plans showing in which direction the photographs were taken.

ATTACHED. (Attachment G)

49. Submit plans of the building showing how the existing walls and spaces are used as and how it is laid out.

Attached are the floor plans which show the lay out of the building. The space plans will be designed by the Landlord's Office. (Attachment H)

50. Submit basic space plans of the building showing the proposed use and how the org functions proposed will fit into this building and how they will be laid out.

Attached are the floor plans which show the lay out of the building. The space plans will be designed by the Landlord's Office. (Attachment H)

CONSTRUCTION AND GROUNDS DATA

Information: The below is to be done by an experienced professional contractor(s) or building inspector(s) so you get complete and fully accurate information. If you are not able to get all information until you are under contract, make a note of this in the questions and pending the building is approved to move forward, do the BIC 2 Part B checklist to get all points thoroughly reviewed and inspections.

(QUESTIONS 51 - 82 DEAL WITH INSPECTIONS WHICH WILL BE DONE DURING DUE DILIGENCE. THE ATTACHED PHOTOS WILL GIVE THE VIEWER A PICTURE OF THE VARIOUS PARTS OF THE BUILDING; HOWEVER, FULL INSPECTIONS WILL BE DONE ONCE UNDER CONTRACT.)

51. When was the building last renovated? If this was within the last 10-15 years, what was done when the building was renovated?
52. Is the building structurally safe? Will it require any structural work done to the building and if so is it extensive or minor?
53. What is the visible condition of the plumbing? Any major re-plumbing work done and when?
54. What is the visible condition of the electric wiring outlets and lighting fixtures? List any major rewiring done and when it was done.
55. What is the condition of the roof? Any leaky areas? Date last re-roof was done? Is the guarantee still valid? What type of roofing is on the building? Is there tile, etc.?
56. What is the condition of the windows? Any leaky areas? Do they work? Are they double-glazed?

57. What is the condition of the walls? Any leaky areas?
58. What is the condition of the floors? Any leaky areas? Are the floors solid or hollow?
59. What is the condition of the ceiling? Any leaky areas? (Look for patch jobs. Especially note the ceilings of any small closets and room perimeters.)
60. What is the condition of boilers? What is the make and date of the manufacturer? Do they need to be replaced? (List any major re-plumbing or re-wiring done on the boiler and when it was done).
61. What is the condition of the air conditioners or air conditioning system? What type of system exists? Do they need to be replaced? What is the make and the date of the installation? Are the ducts clean or dirty? Is there fiberglass through the insulation and what would need to be done to remove this?
62. What is the number of elevators and the date installed? Have there been any major repairs or overhauls? When? Do they have current permits?
63. What is the condition of other equipment (e.g. pumps, exhaust fans etc.)
64. What is the insulation factor as it relates to heat loss or sun absorption? What type of insulation is it and is it in the walls or only above the ceiling?

65. What fire suppression is included? How extensive is the system? When was it installed? When was it last tested by a certified inspector and are inspections in PT? Does it meet the current building codes?
66. Does the building have smoke detectors in each space? What is the make and when were they installed? Does this installation comply with current codes and does it have to? Are the detectors hard wired, or are they battery operated.
67. Is there a situation with air pollution (smog) or odors?
68. Is there evidence of pests (e.g. termites, roaches, ants.) in the building?
69. Is there any evidence of mildew?
70. What is the situation with dust internally? Externally?
71. What protection is built in against environmental hazards. Example, is the building earthquake-proof or hurricane-proof? Is it certified by the city/county? Does it need to be?
72. Is there any known asbestos or other environmental hazards in the property such as contaminated soil, etc.?
73. Are there internal phones in the building? What is the make, model and date installed? What is the intended handling for an internal phone system?

74. What are the number of phone lines available from the phone company in the premises?
75. What is the condition of the exterior of the building?
76. What is the condition of the grounds?
77. What is the condition of sidewalks and paths?
78. What is the condition of parking lot or garage. Have any major repairs being done? When?
79. What facilities are on the grounds?
80. What type of plants is on the grounds? (Any poisonous plants?)
81. Submit overall landscape plans (if there are grounds as part of the property).
82. Detail what renovations and re-decorations are needed. Estimate the total costs. (State whether the costs are based on using internal labor or outside contractors). This is to be done by a professional building consultant company and is to be separated into categories as follows:

The below points are covered in the cost estimate provided.

- a. Legal points: This is a large category of things needed to be handled so that the

- org can occupy the space such as a correct exit capacity, number of restrooms.
- b. Any required compliance with handicapped laws, fire alarm systems or fire suppression systems, exit lights, quantity of parking spaces etc.
 - c. New walls that will need to be built based on the space plans and includes proper installation for soundproofing of the auditing rooms.
 - d. New film rooms to be built.
 - e. Sauna: How much will it cost to install a sauna, shower and changing facilities for the Purif?
 - f. Give a description of existing conditions of the basic systems and structure and any handlings and the costs needed to make the building operational such as: roofs, walls, heating, lighting, electrical, air conditioning, plumbing, elevators, and windows. etc.
 - g. Interior finishes and furniture estimated costs.

SECURITY

83. Describe accessibility to the ground floor entrance.

The ground floor has 7 entrances. These are:

- 1. Main Entrance – double door on a covered patio which is part of the driveway portico.
- 2. Side Entrance – single door on a covered patio.
- 3. Two Entrances in the back of the building – these are flush against the back of the building with sidewalks approaching each.
- 4. Two Entrances in the front which open onto patios – these are not accessible except from the interior of the building.
- 5. One Garage Door – this has an external coded key pad and a standard “garage door opener” for access.

84. What is the number of doors giving access?

85. What is the general security of the building? Any needed handling?

Each entrance appears to be wired for a security system. I do not know whether each is activated or not. No handling needed.

86. What is the number of gates giving access to the property?

None. The parking lot has two driveway entrances, but no gates.

87. What is the general security of the grounds? Any needed handling?

None. No handling needed.

EXISTING ORG FACILITIES

88. If the current org premises are owned, give basic information on the property and why we are selling this property to purchase a new one including what the appraised value is of the existing building.

The current org premises are under mortgage. The building is 7000 square feet and is simply not big enough for us to operate in. It is a similar piece of architecture to Glenridge Square (Williamsburg style) and in an upstat area north of Atlanta. Renovations were done in 2000-2001 which completed the Academy, HGC, Exec Offices, Chapel, Reception, Film Room, Tech Services and Purif area. The appraised value is \$730,000.

89. If the current premises are leased, what is the rental cost of current premises?

N/A

90. Include photos of the existing org building exterior and interior.

ATTACHED. (Attachment I)

GENERAL

91. Include graphs of the org GDSs.

Attached. (Attachment J)

92. Include a crew list of the existing org staff.

Attached. (Attachment K)

93. Any other vital data?

Atlanta is considered to be an expansive metropolitan area. When one is talking about Atlanta, one is talking about the city proper and the surrounding cities. For this reason, Atlanta is majorly a driving city. In any given day, a person may find himself driving anywhere in the vicinity of the city, both inside the perimeter (I-285) and outside the perimeter. Though public transportation is used, there are only 2 lines – a North/South line which connects the northern tip of the perimeter (not the outlying areas) and the airport, and an East/West line, which also falls inside the perimeter. Public transportation is not the main method used to get around town. Instead, people rely on their cars. This holds true for all areas of the city and all ethnic and cultural groups. For this reason, it is key that we are easily accessible by the highways and not necessarily in the heart of the city. One will find on a Friday or Saturday night, a few people in the vicinity of downtown (that is to say, 50 – 100 people) who could be construed as body traffic. Otherwise, the body traffic in Atlanta can be found walking from their office building to their car, at the mall and grocery store, on their neighborhood streets or at the parks. It is for this reason the lack of body traffic in front of the building should not be a concern. There isn't body traffic in front of any building

in Atlanta. Rather, and as we have successfully proven, we will need to place ourselves IN the body traffic in the form of Stress Test Tables and Booths. Over the last several months, we have successfully run book selling booths at the number one Atlanta mall/attraction and more than tripled the number of raw books sold and number of people introduced to Scientology. Though we are in a less ideal location currently, it has still not been a problem for people to find us. The proposed building at Glenridge Square is not only in a better location, it is more prominent.

94. Recommendations:

Get an offer accepted, pursue the needed zoning variance and purchase of the building.

Signed:

Post:

Date Part Two section A was started:

Date Part Two section A was completed: